

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE REALIGNMENT OF ONIZUKA
AIR STATION, CALIFORNIA, TO FALCON
AIR FORCE BASE, COLORADO**

Report No. 97-200

July 30, 1997

Department of Defense

Additional Copies

To obtain additional copies of this audit report, contact the Secondary Reports Distribution Unit of the Analysis, Planning, and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or FAX (703) 604-8932.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Planning and Coordination Branch of the Analysis, Planning, and Technical Support Directorate at (703) 604-8939 (DSN 664-8939) or FAX (703) 604-8932. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: APTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, Virginia 22202-2884

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@DODIG.OSD.MIL; or by writing to the Defense Hotline, The Pentagon, Washington, D.C. 20301-1900. The identity of each writer and caller is fully protected.

Acronyms

AFB	Air Force Base
AS	Air Station
BRAC	Base Realignment and Closure
MILCON	Military Construction



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



July 30, 1997

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND
COMPTROLLER)

SUBJECT: Audit Report on Defense Base Realignment and Closure Budget Data
for the Realignment of Onizuka Air Station, California, to Falcon Air
Force Base, Colorado (Report No. 97-200)

We are providing this audit report for information and use. This report is one in a series about FY 1998 Defense base realignment and closure military construction costs. Management comments on a draft of this report were considered in preparing the final report.

Comments on the draft of this report conformed to the requirements of DoD Directive 7650.3 and left no unresolved issues. Therefore, no additional comments are required.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. Wayne K. Million, Audit Program Director, at (703) 604-9312 (DSN 664-9312) or Mr. Nicholas E. Como, Audit Project Manager, at (703) 604-9215 (DSN 664-9215). See Appendix D for the report distribution. The audit team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 97-200
(Project No. 7CG-5002.07)

July 30, 1997

Defense Base Realignment and Closure Budget Data for the Realignment of Onizuka Air Station, California, to Falcon Air Force Base, Colorado

Executive Summary

Introduction. This report is one in a series about FY 1998 Defense base realignment and closure military construction costs. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested for each military construction project associated with Defense base realignment and closure does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Office of the Inspector General, DoD, is required to review each Defense base realignment and closure military construction project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees.

Audit Objectives. The overall audit objective was to determine the accuracy of Defense base realignment and closure military construction budget data. This report provides the results of the audit of six base realignment and closure military construction projects, valued at \$25.2 million, and two conjunctively funded military construction projects, valued at \$10.5 million, for the realignment of Onizuka Air Station, California, to Falcon Air Force Base, Colorado.

Audit Results. The Air Force incorrectly justified one base realignment and closure military construction project, valued at \$300,000. The estimated \$300,000 cost to increase the fitness facility at Falcon Air Force Base may be overstated. In addition, the Air Force overstated requirements and costs for another base realignment and closure military construction project. The net overstatement was approximately \$116,025. See Part I for a discussion of the audit results. See Appendix C for a summary of invalid and partially valid requirements for the projects we reviewed.

Summary of Recommendations. We recommend that the Under Secretary of Defense (Comptroller) place project GLEN973023 on administrative withhold until management submits the results of a validated needs assessment study. We also recommend that the Under Secretary of Defense (Comptroller) place project GLEN973009 on administrative withhold until management submits a revised DD Form 1391 to accurately reflect requirements and costs. We recommend that the Commander, Air Force Space Command, conduct a validated needs assessment study for fitness facilities at Falcon Air Force Base and coordinate with Falcon and Peterson Air Force Bases to determine whether Peterson Air Force Base can accommodate the fitness facility requirements for Falcon Air Force Base. We recommend that the Commander, Air Force Space Command, submit a revised DD Form 1391, "FY 1998 Military Construction Project Data," for project GLEN973009 that reflects valid Defense base realignment and closure requirements and costs.

Management Comments. The Under Secretary of Defense (Comptroller) concurred and stated that funds associated with projects GLEN973023 and GLEN973009 will be placed on administrative withhold pending audit resolution. The Air Force concurred with the recommendation to conduct a needs assessment study and provided a copy of the validated study as part of their comments. In addition, the Air Force concurred with the recommendation to coordinate with Peterson and Falcon AFBs to determine whether the fitness facilities at Peterson AFB could accommodate the fitness facility requirements of Falcon AFB for project GLEN973023, "Add to Fitness Facility." Also, in response to our recommendation to revise the DD Form 1391, "FY 1998 Military Construction Project Data," for project GLEN973009 and correspondingly reduce the budget estimates, the Air Force forwarded an approved waiver to Air Force Handbook 32-1084, allowing the consideration of contractors in the space requirement database for the scope of the dining facility project. See Part I for a discussion of management comments and Part III for the complete text of management comments.

Table of Contents

Executive Summary	i
Part I - Audit Results	
Audit Background	2
Audit Objectives	3
Prior Audits and Other Reviews	4
Finding A. Fitness Facilities	5
Finding B. Dining Facilities	7
Part II - Additional Information	
Appendix A. Scope and Methodology	12
Appendix B. Background of Defense Base Realignment and Closure	13
Appendix C. Projects Identified as Invalid or Partially Valid	15
Appendix D. Report Distribution	16
Part III - Management Comments	
Under Secretary of Defense (Comptroller) Comments	20
Department of the Air Force Comments	21

Part I - Audit Results

Audit Background

The Office of the Inspector General, DoD, is performing audits of the Defense base realignment and closure (BRAC) process. This report is one in a series about FY 1998 BRAC military construction (MILCON) costs. For additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs, see Appendix B. See Appendix C for a summary of invalid and partially valid requirements for the projects we reviewed.

Commission Recommendation. The FY 1995 Commission recommended Onizuka Air Station (AS), California, for realignment by relocating the 750th Space Group to Falcon Air Force Base (AFB), Colorado. Further, the Commission recommended that Detachment 2, Space and Missile Center, relocate to Falcon AFB, while other tenants at Onizuka AS would remain in existing facilities. Table 1 identifies the organizations and military and civilian population that will realign or remain at Onizuka AS.

Table 1. Realignment or Retention of Organizations from Onizuka Air Station				
<u>Organization</u>	<u>Officers</u>	<u>Enlisted</u>	<u>Civilians</u>	<u>Totals</u>
Realignment				
5th Space Operations Squadron	18	31	7	56
750th Space Group	16	31	42	89
Detachment 2	0	1	0	1
Tenants	<u>10</u>	<u>3</u>	<u>2</u>	<u>15</u>
Total Realignment	44	66	51	161
Remain at Onizuka AS				
5th Space Operations Squadron MSN OL	2	12	0	14
21st Space Operations Squadron	13	21	215	249
Tenants	<u>66</u>	<u>91</u>	<u>28</u>	<u>185</u>
Total at Onizuka AS	81	124	243	448

Missions at Onizuka AS. The 750th Space Group is a unit subordinate to the 50th Space Wing located at Falcon AFB, which is part of the Air Force Space Command, Peterson AFB. The 750th Space Group operates and maintains the common-user element of the Air Force Satellite Control Network and supports launch and on-orbit satellite operations for DoD agencies, North America Treaty Organization, and allied nations. The 5th Space Operations Squadron, which is also part of the 50th Space Wing, plans for and conducts launch and on-orbit operations for several DoD and allied space missions.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. The specific objectives were to determine whether the proposed projects were valid BRAC requirements, whether the decision for MILCON was supported with required documentation including an economic analysis, and whether the economic analysis considered existing facilities. Another objective was to assess the adequacy of the management control program as it applied to the overall audit objective.

This report provides the results of the realignment of satellite and operational functions from Onizuka AS to Falcon AFB. Table 2 lists the BRAC MILCON and MILCON projects for Falcon and Peterson AFBs.

Table 2. BRAC MILCON and MILCON Projects Reviewed

<u>Project Number</u>	<u>Project Location</u>	<u>Description</u>	<u>DD Form 1391 Amount (million)</u>
BRAC MILCON			
TDKA963004*	Peterson AFB	Enlisted Dormitory	\$ 1.2
GLEN973008*	Falcon AFB	Satellite Control Facility	16.0
GLEN973009*	Falcon AFB	Add to Dining Facility	.5
GLEN973010*	Falcon AFB	Technical Support Facility	6.4
GLEN973020	Falcon AFB	Alter Operations Support Facility	.8
GLEN973023	Falcon AFB	Add to Fitness Center	.3
Total BRAC MILCON			\$25.2
MILCON			
TDKA963002	Peterson AFB	Enlisted Dormitory	\$8.4
GLEN973001	Falcon AFB	Add to Dining Facility	2.1
Total MILCON			\$10.5
Total BRAC MILCON and MILCON			\$35.7

*Projects also reviewed by Air Force Audit Agency.

See Appendix A for a discussion of the scope and methodology. The management control program will be discussed in a summary report on FYs 1997 and 1998 BRAC MILCON budget data.

Prior Audits and Other Reviews

Three summary reports have been issued for the audits of BRAC budget data for FYs 1992 through 1996. These reports list individual projects. Since April 1996, numerous additional reports have been issued that address DoD BRAC budget data for FYs 1997 and 1998. Details on these reports are available upon request.

Related Audit Coverage. The Air Force Audit Agency conducted an audit of military construction requirements, valued at \$117 million, resulting from the 1995 base realignments and closures. The results are contained in Air Force Audit Agency Project No. 95052032, "Review of 1995 Base Realignment and Closure Military Construction Requirements," January 29, 1996. Site survey teams visited installations to validate facility requirements, evaluate alternatives for satisfying those requirements, and estimate BRAC MILCON costs required to accomplish the realignment or closure. Because some personnel requirements for the proposed BRAC MILCON were classified and were not reviewed by the Air Force Audit Agency, we reviewed the project requirements, including the classified portions. See Table 2 for the projects that the Air Force Audit Agency also reviewed.

Finding A. Fitness Facilities

The Air Force incorrectly justified project GLEN973023, "Add to Fitness Center," valued at \$300,000. This condition occurred because the Air Force did not conduct a validated needs assessment study and did not consider existing fitness facilities located at Peterson AFB for the realignment of Onizuka AS to Falcon AFB. As a result, the estimated \$300,000 cost to increase the fitness facility at Falcon AFB may not be needed.

Needs Assessment Study

DD Form 1391, "FY 1998 Military Construction Project Data," September 16, 1996, for project GLEN973023 includes a 1,507 square foot addition to the existing fitness facility at Falcon AFB to support the relocation of personnel from Onizuka AS. The project is estimated to cost \$300,000. The project will increase space of the existing fitness center for on-site physical fitness training for military members.

Needs Assessment Study. Falcon AFB officials did not conduct a needs assessment study for project GLEN973023. Air Force Handbook 32-1084, "Civil Engineering Facility Requirements," September 1, 1996, requires performance of a validated needs assessment study to determine the total customer base. Total customer base is defined as active duty military and selected reserve personnel assigned to the installation, plus 50 percent of the family members, and 25 percent of other military personnel in the area.

Requirements Determination. Falcon AFB based BRAC MILCON project GLEN973023 on Air Force survey results that identified monthly fitness facility usage of 10,867 military and civilian workers. However, there are only 2,351 military personnel assigned to Falcon AFB. Air Force Handbook 32-1084 does not include civilian personnel and retired military contract workers in determining military construction requirements. Falcon AFB incorrectly averaged retired military and civilian workers into the fitness facilities utilization data at Falcon AFB.

Existing Facilities

The Air Force also did not consider existing fitness facilities at Peterson AFB when planning BRAC MILCON project GLEN973023. Peterson AFB has a 49,944 square foot fitness facility that supports military personnel assigned to the North America Air Defense Command, U.S. Space Command, Air Force Material Command, Falcon AFB, and other Air Force personnel located at Cheyenne Mountain. The Air Force stated that because of the distance from

Finding A. Fitness Facilities

Falcon AFB, Peterson AFB was not considered as an alternative for the proposed BRAC MILCON project at Falcon AFB. However, Peterson AFB is only approximately 11 miles from Falcon AFB. This distance is not excessive. A needs assessment study will determine whether existing facilities at Peterson AFB will accommodate the personnel relocating from Onizuka AS and whether the addition to the fitness facility at Falcon AFB is necessary.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Under Secretary of Defense (Comptroller) place base realignment and closure military construction project GLEN973023, "Add to Fitness Center," on administrative withhold until management submits the results of a validated needs assessment study.

Management Comments. The Under Secretary of Defense (Comptroller) concurred and stated that funds associated with project GLEN973023, "Add to Fitness Center," will be placed on administrative withhold pending audit resolution.

Audit Response. The Under Secretary of Defense (Comptroller) comments were responsive. As a result of the Air Force comments to Recommendation A.2., we request that the Under Secretary of Defense (Comptroller) remove the administrative withhold for project GLEN973023.

2. We recommend that the Commander, Air Force Space Command:

a. Conduct a validated needs assessment study for fitness facilities at Falcon AFB, and

b. Coordinate with Peterson AFB and Falcon AFB to determine whether the fitness facilities at Peterson AFB can accommodate the fitness facility requirements for Falcon AFB.

Management Comments. The Air Force concurred and provided a validated needs assessment study for the customer base at Falcon AFB and Peterson AFB fitness centers.

Audit Response. The Air Force comments were responsive. The needs assessment study identified a 15,487 square foot deficiency at Falcon AFB and a 25,056 square foot deficiency at Peterson AFB for fitness facilities. Based on this analysis, we consider the 1,400 square foot addition to Falcon AFB fitness facilities to be acceptable.

Finding B. Dining Facilities

The Air Force overstated the requirements and costs for base realignment and closure project GLEN973009, "Add to Dining Facility," estimated to cost \$500,000. The overstatement occurred because the Air Force based the expansion to the dining facility on an incorrect number of personnel transferring to Falcon AFB. As a result, the Air Force overstated the \$500,000 cost of the dining facility by at least \$116,025.

Updated Cost Estimates

The DD Form 1391 for project GLEN973009, September 16, 1996, includes a \$500,000 cost estimate for an addition to an existing dining facility at Falcon AFB. The major line item on the DD Form 1391 includes 1,400 square feet of new construction, estimated to cost \$273,000. The existing dining facility at Falcon AFB has inadequate seating for military and civil service personnel that will relocate from Onizuka AS to Falcon AFB.

Present Dining Facility at Falcon AFB. The dining facility at Falcon AFB is presently 11,530 square feet, comprising 6,000 square feet of seating area and 5,530 square feet of kitchen area, administrative offices, refrigerator space, and restrooms. The dining facility serves 2,603 military and civilian personnel. Air Force Handbook 32-1084 allows 15 square feet per seat as the normal seat capacity. To determine the existing serving capacity, the normal seat capacity is divided by a turnover rate of three customers per seat in a set meal period. This equates to a maximum seating area of 13,015 square feet. The present seating area at Falcon AFB is deficient by 7,015 square feet (13,015 square feet minus 6,000 square feet).

MILCON Project to Modernize Kitchen. MILCON project GLEN973001, "Alter Dining Facility," includes an 8,073 square foot upgrade to the existing kitchen to relocate cooking and food preparation to provide a safe, functional layout at Falcon AFB. The present seating area (6,000 square feet) would decrease by about 2,000 square feet as part of project GLEN973001.

Military and Civilian Personnel. The Air Force calculated data on the DD Form 1391 for project GLEN973009 based on 274 military and civilian personnel affected by the BRAC decision to relocate functions of Onizuka AS to Falcon AFB. However, Air Force Space Command provided FYs 1999 and 2000 manpower authorizations for Onizuka AS, that showed only 161 military and civilian personnel relocating to Falcon AFB. The Air Force Closure Internal Control Plan 1995 BRAC instruction states that capacity analysis is directly impacted by changes in the force structure plan. The Air Force should have revised the DD Form 1391 to reflect the force structure changes from 274 to 161 military and civilian personnel based on instructions issued by the Special Assistant to the Chief of Staff for Base Realignment and Transition, March 1995.

Finding B. Dining Facilities

Dining Facility Requirement. Using Air Force Handbook 32-1084, the additional 161 military and civilian personnel relocating from Onizuka AS will require an additional seating area of 805 square feet, not 1,400 square feet, as estimated for project GLEN973009. The project cost for the dining facility should be \$156,975 using the \$195* per square foot unit cost listed on the DD Form 1391. Therefore, project GLEN973009 is overstated by approximately \$116,025.

Summary

The dining hall at Falcon AFB must support 2,764 military and civilian personnel after the relocation of Onizuka AS, including 2,603 military and civilian personnel currently at Falcon AFB and 161 military and civilian personnel relocating from Onizuka AS. Air Force Handbook 32-1084 provides that the seating area for 2,764 personnel should be 13,820 square feet. After the completion of project GLEN973001, the seating area at Falcon AFB will be 9,820 square feet deficient (13,820 square feet minus 4,000 square feet). Of the 9,820 square foot deficiency, only 805 square feet is applicable to BRAC MILCON project GLEN973009. The remaining 9,015 square foot deficiency must be funded with other than BRAC MILCON funds.

Recommendations, Management Comments, and Audit Response

1. We recommend that the Under Secretary of Defense (Comptroller) place project GLEN973009, "Add to Dining Facility," on administrative withhold until management submits a revised DD Form 1391 to accurately reflect requirements and costs.

Management Comments. The Under Secretary of Defense (Comptroller) concurred and stated that funds associated with project GLEN973009, "Add to Dining Facility," will be placed on administrative withhold pending audit resolution.

Audit Response. The Under Secretary of Defense (Comptroller) comments were responsive. However, based on management comments received from the Air Force on Recommendation B.2., we will request that the Under Secretary of Defense (Comptroller) release the funds associated with project GLEN973009.

*The unit cost was calculated by dividing the estimated line item cost of \$273,000, excluding supporting facilities, by the estimated 1,400 square feet.

2. We recommend that the Commander, Air Force Space Command:

a. Submit a revised DD Form 1391, "FY 1998 Military Construction Project Data," for project GLEN973009 that reflects valid Defense base realignment and closure requirements and costs, and

b. Correspondingly reduce budget estimates by at least \$116,025.

Management Comments. The Air Force concurred with the recommendations and provided an approved waiver to Air Force Handbook 32-1084, allowing consideration of contractors in the space requirement database for the scope of project GLEN973009.

Part II - Additional Information

Appendix A. Scope and Methodology

Scope of This Audit. We examined the FY 1998 BRAC MILCON budget request, economic analysis, and supporting documentation for space requirements for six BRAC MILCON projects, estimated to cost \$25.2 million, and two conjunctively funded MILCON projects, estimated to cost \$10.5 million, involving the realignment of Onizuka AS to Falcon AFB.

Audit Period, Standards, and Locations. This economy and efficiency audit was performed during November 1996 through January 1997 in accordance with auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. The audit did not rely on computer-processed data or statistical sampling procedures.

Contacts During the Audit. We visited or contacted individuals and organizations within DoD. Further details are available upon request.

Appendix B. Background of Defense Base Realignment and Closure

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the Defense Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress.

Required Defense Reviews of BRAC Estimates. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, states that the Secretary of Defense shall ensure that the authorization amount that DoD requested for each MILCON project associated with BRAC actions does not exceed the original estimated cost provided to the Commission. Public Law 102-190 also states that the Inspector General, DoD, must evaluate significant increases in BRAC MILCON project costs over the estimated costs provided to the Commission and send a report to the congressional Defense committees.

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model. The Cost of Base Realignment Actions computer model uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1998 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. The Cost of Base Realignment Actions computer model provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

Limitations and Expansion to Overall Audit Scope. Because the Cost of Base Realignment Actions computer model develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Appendix B. Background of Defense Base Realignment and Closure

Overall Audit Selection Process. We reviewed the FY 1998 BRAC MILCON \$354.3 million budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected all projects in the budget. We also reviewed those FY 1997 BRAC MILCON projects that were not included in the previous FY 1997 budget submission, but were added as part of the FY 1998 BRAC MILCON budget package.

Appendix C. Projects Identified as Invalid or Partially Valid

Table C-1. Causes of Invalid or Partially Valid Projects

<u>Project Location</u>	<u>Project Number</u>	<u>Causes of Invalid Project</u>		<u>Causes of Partially Valid Project</u>	
		<u>Overstated</u>	<u>Unsupported</u>	<u>Overstated</u>	<u>Unsupported</u>
Falcon AFB	GLEN973009			X	
Falcon AFB	GLEN973023		X		

Table C-2. Recommended Change in Project Estimate

<u>Project Location</u>	<u>Project Number</u>	<u>Amount of Estimate on DD Form 1391 (thousands)</u>	<u>Recommended Amount of Change</u>	
			<u>Invalid Project (thousands)</u>	<u>Partially Valid Project (thousands)</u>
Falcon AFB	GLEN973009	\$500		\$116
Falcon AFB	GLEN973023	<u>300</u>	<u>300</u>	<u> </u>
Total		\$800	\$300	\$116
Total Invalid and Partially Valid Projects			\$416	

Appendix D. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Principal Assistant Deputy Under Secretary of Defense (Industrial Affairs and Installations)
Assistant Secretary of Defense (Public Affairs)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Assistant Secretary of the Air Force (Installations), Base Transition Division
Headquarters, Air Force Space Command, Directorate of Engineering
Commander, 50th Space Wing, Falcon AFB
Auditor General, Department of the Air Force

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations and Individuals

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
General Accounting Office

Chairman and ranking minority member of each of the following congressional committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Subcommittee on Military Construction, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Military Construction, Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on Government Management, Information and Technology,
Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Part III - Management Comments

Under Secretary of Defense (Comptroller) Comments



COMPTROLLER
(Program/Budget)

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100



May 21, 1997

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING, DOD IG

SUBJECT: DoD IG Audit Report on Defense Base Realignment and Closure (BRAC) Budget
Data for the Realignment of Onizuka Air Station, California, to Falcon Air Force Base,
Colorado (Project No. 7CG-5002.07)

This responds to your memorandum of April 28, 1997, requesting our comments on the
subject report.

The audit recommends that the USD (Comptroller) place the funding for project
GLEN973023, "Add to Fitness Center," and project GLEN973009, "Add to Dining Facility," at
Falcon AFB, Colorado, on administrative withhold until the Air Force submits a need assessment
study validating the need for the addition to the fitness center and a revised DD Form 1391
accurately supporting the costs and requirements for the addition to the dining facility.

The funding (\$800,000), associated with projects GLEN973023 and GLEN973009, is
included in the FY 1998 BRAC budget request and has not been appropriated. While we generally
agree with the audit and recommendations, the Air Force has not commented on the report. As a
consequence, the item is still at issue. If the funds are appropriated and the issue is not resolved by
the start of FY 1998, we will place the funds for the project on administrative withhold. Further,
any savings resulting from the audit will be reprogrammed to other valid BRAC requirements as
appropriate.


Henry R. Sodano
Director for Construction

Department of the Air Force Comments

Final Report
Reference



Office of the Assistant Secretary

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

19 Jun 97

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING OFFICE OF
THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: SAF/MIIT
1660 Air Force Pentagon
Washington, DC 20330-1660


SUBJECT: Draft Audit Report on Defense Base Realignment and Closure Budget Data for the
Realignment of Onizuka Air Station, California to Falcon Air Force Base, Colorado
(Report 7CG-5002.07), 28 Apr 1997.

Based on our 27 May discussions, the Air Force now CONCURS on the two
recommendations contained in the subject report.

The requested Needs Assessment Study for fitness facilities at Falcon/Peterson AFB,
reflecting a deficiency at both locations, is attached.

Space Command has forwarded a waiver request for AFH 30-1084 to HQ USAF/ILEH to
allow consideration of contractors in the space requirement data base for the scope of the project.
A copy of the approval letter will be forwarded to you upon receipt.

Request both of the above projects be removed from administrative hold.


RAYMOND A. NEALL, Lt Col, USAF
Chief, Base Transition Division

1 Atch - Study

cc:
AFSPC/CE

Should be
AFH
32-1084.

Attachment
not included.
Available
upon
request.

Department of the Air Force Comments

Final Report
Reference



Office of the Assistant Secretary

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC


1 July 1997

MEMORANDUM FOR ASSISTANT INSPECTOR GENERAL FOR AUDITING
OFFICE OF THE INSPECTOR GENERAL
DEPARTMENT OF DEFENSE

FROM: SAF/MIIT
1660 Air Force Pentagon
Washington, DC 20330-1660

SUBJECT: Draft Audit Report on Defense Base Realignment and Closure Budget Data for the
Realignment of Onizuka Air Station, California to Falcon Air Force Base, Colorado
(Report 7CG-5002.07), 28 Apr 1997.

In our 19 Jun 97 memo, we promised to provide your office a copy of the waiver approval allowing Air Force Space Command (AFSPC) to use contractors in the computation data base for the BRAC Dining Hall project. The attached HQ USAF/ILEC memo approves the waiver request to AFH 30-1084 and allows HQ AFSPC to consider contractors in the space requirement data base for the scope of the dining facility project. If there are any additional questions please contact my POC Mr Schauer, 695-6766.


RAYMOND A. NEALL, Lt Col, USAF
Chief, Base Transition Division

Attachment:
AF/ILEC 1 Jul 97 Memo

cc:
AFSPC/CE

Should be
AFH
32-1084.



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, DC

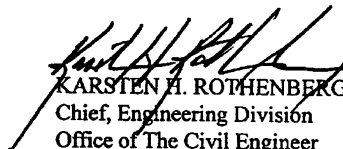
01 JUL 1997

MEMORANDUM FOR HQ AFSPC/CEP

FROM: AF/ILEC

SUBJECT: Request for Waiver, Dining Facility Space Requirements (Your 19 June 97 Ltr)

1. Your waiver request for the FY98 BRAC MILCON project, "Add to Dining Facility, Falcon AFB," is approved because of the remoteness of the area. This waiver is for this project only and should not be considered as a blanket waiver for all other dining facilities.
2. Our POC for this action is Mr. Satish Abrol, DSN 225-8190


KARSTEN H. ROTHENBERG, Colonel, USAF
Chief, Engineering Division
Office of The Civil Engineer

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

Paul J. Granetto
Wayne K. Million
Nicholas E. Como
John M. Delaware
Marcia L. Kilby
George J. Sechiel
Ernest R. Taylor, Jr.
Sheryl L. Jansen
Donald C. Shaw